

MOTIVATIONAL DRIVES OF EMPLOYEES AT AN INVESTMENT BANK

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ABSTRACT

The purpose of this study was to determine what the motivational drives are for employees working in an investment bank and whether money plays a roll in motivating employees working for an investment bank.

The target group for this study was all the employees who have been in the employment of the target organisation for one year and longer. This group was divided into subgroups of specialist transactors and specialist support personnel. The profile of these two subgroups included a variety of ages, gender, races and educational backgrounds.

Data was collected using a questionnaire that was discussed with each employee who agreed to participate in the study.

The study clearly illustrates that money can be the primary drive for motivation to certain employees within an investment bank. When one ranks what makes the two subgroups work, it is quite clear that the ability to earn a bonus and the ability to earn more money is highest on the list of specialist transactors, whereas the specialist support personnel enjoys the culture of the bank and has to get job satisfaction to make them work. These results reflect the motivational drives of the sample group at the time of this research.

The study concludes that one of the primary motivational aspects for the subgroup of employees which was subject to the empirical study is that these employees are motivated by the mere fact that they can earn more money and a bigger bonus as well as obtaining job satisfaction and having the ability to make their own decisions.

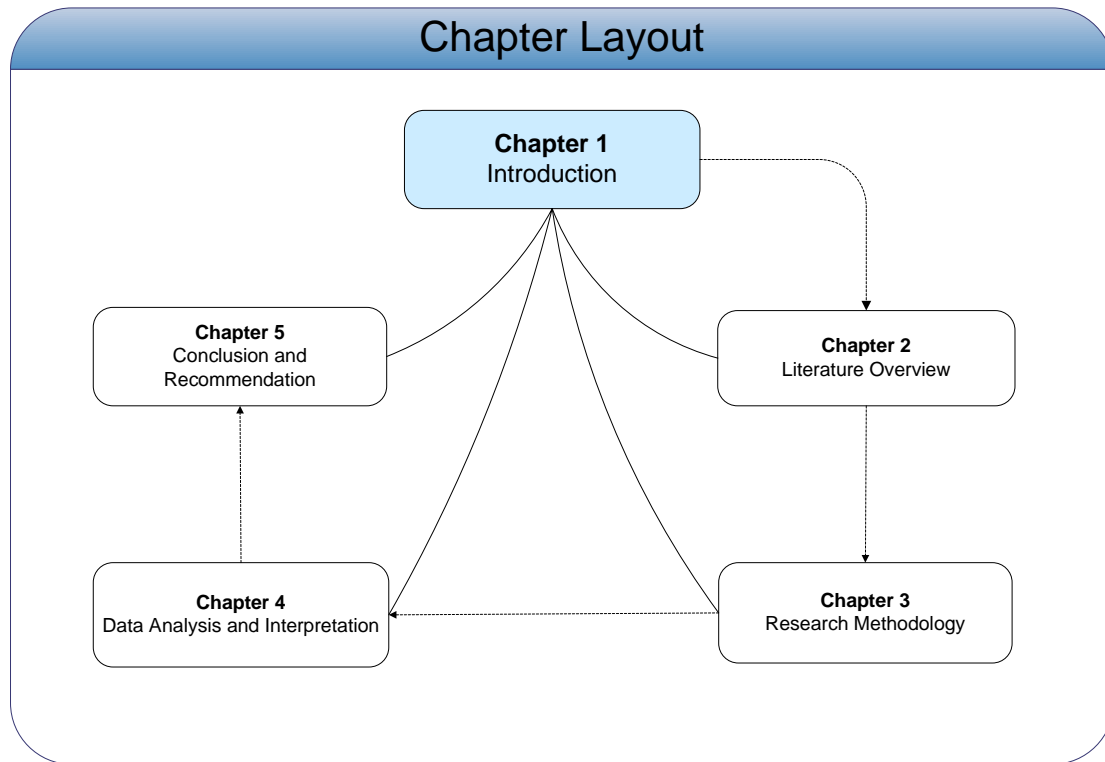
The study discussed Maslow's and McClellands need theories as well as various other motivational theories and approaches employers can introduce to motivate employees. Maslow's and McClelland's need theories were directly related to the empirical study with the view whether these two motivational theories can be applied successfully within an investment bank. Based on the results of the empirical study, the researcher came to the conclusion that both these theories can be equally successfully applied to employees working in the target organisation.

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CHAPTER 1

Figure 1 – Portrays the relationship of Chapter 1 within the context of this research



1 INTRODUCTION

1.1 Background

1.1.1 Literature overview

What is motivation? According to Bateman & Snell (2004:398) motivation refers to forces that energise, direct and sustain a person's efforts. A highly motivated person will work hard towards achieving performance-related goals and, with adequate ability and understanding of the job, such a person will be highly productive.

Motivation plays a very important role in the new democratic South Africa. One of the Human Resources challenges is how to attract, retain, motivate and develop individuals with talent.

Various theories and motivational approaches have been developed and researched on how to motivate individuals. These theories and motivational approaches are:

- **Maslow's need hierarchy theory**

Maslow's need hierarchy theory was published in 1943. The Maslow need hierarchy theory proposed that motivation is a function of five levels of needs namely –

- (i) Physiological: Includes hunger, thirst, shelter, sexual, and other bodily needs.
- (ii) Safety: Includes security and protection from physical and emotional harm.
- (iii) Social: Includes affection, belongingness, acceptance, and friendship.
- (iv) Esteem: Includes internal esteem factors such as self-respect, autonomy, and achievement; and external esteem factors such as status, recognition, and attention.
- (v) Self-actualisation: The drive to become what one is capable of becoming; includes growth, achieving one's potential, and self-fulfilment (Robbins, Odendaal & Roodt, 2004:131).

- **McClelland's need theory**

The McClelland need theory identified three basic needs namely:

- (i) Need for achievement: The drive to excel, to achieve in relation to a set of standards, to strive to succeed.
- (ii) Need for power: The need to make others behave in a way that they would not have behaved otherwise.
- (iii) Need for affiliation: The desire for friendly and close interpersonal relationships (Robbins et al., 2004:134).

- **Motivating employees through job design**

Job design changes the content or process of a specific job to satisfy the personal needs of individual job holders and to increase performance (Grobler, Warnich, Carrel, Elbert & Hatfield, 2003:109).

An organisation can also apply certain motivational approaches that will increase motivation within the workplace. These motivational approaches can be summarised as follows:

- **Job enlargement**

Job enlargement involves putting more variety into a worker's job by combining specialised tasks of comparable difficulty (Kreitner & Kinicki, 2004:268-269).

- **Job rotation**

Job rotation calls for moving employees from one specialised job to another. By rotating employees from one job to another one increases skill base, flexibility and easier scheduling. One believes that you can stimulate interest and motivation while providing employees with a broader perspective of the organisation (Kreitner et al., 2004:269).

- **Job enrichment**

Job enrichment entails modifying a job to such an extent that an employer has the opportunity to experience achievement, recognition, stimulating work, responsibility and advancement. This can be achieved by redesigning a job in both scope and depth (Grobler et al., 2003:113).

- **The job characteristics model**

The job characteristics model consists of internal work motivation by structuring work so that employees are intrinsically motivated. Intrinsic motivation occurs when an individual is "turned on to one's work because of the positive internal feelings that are generated by doing well, rather than being dependant on external factors such as incentive pay or compliments from the boss" (Kreitner et al., 2004:272).

- **Intrinsic motivation**

Intrinsic motivation can be defined as being driven by positive feelings associated with doing well on a task or job. Intrinsically motivated people are driven to act for

the fun or challenge associated with a task rather than because of external rewards, pressures or requests (Kreitner et al., 2004:276).

Other motivational theories that have not been discussed in detail, because of the nature of the business environment, is the Adam's equity theory of motivation, Vroom's expectancy theory and motivation through goal setting.

Debate over human motivation

There is a debate over the roots of human motivation. The behaviourists believe that human behaviour is the product of consequences. They promote the liberal use of positive reinforcements, including increases, promotions, bonuses and prizes, as incentive for improving performance.

At the other extreme is a group that might be labelled anti-behaviourists. They believe that monetary rewards will not bring employees happiness and may even work against the employer who uses them.

Behaviourists offer a number of rebuttals, but their most persuasive argument is that money can mean many things to many people. The monetary motivation is a complicated process. Issues such as how much money it takes to excite someone or whether the desired results are a measurable influence if money motivates performance.

Anti-behaviourists prefer natural rewards. Give each person a chance to do his or her best, find ways for them to work in teams, give them variety and a sense of worthwhile work, and give them as much choice as possible in what they do and how they do it.

For a manager there is not a right or wrong answer. The best path to take as a manager depends on a balance of both types of rewards – nature and extrinsic (Grobler et al., 2003:108).

This study will analyse the various motivational theories and approaches. The researcher will conduct a survey questionnaire that will exploit the nature of the individuals working for an investment bank, determining what motivates the individuals working for such an investment bank.

1.1.2 Target organisation

The study will focus on an investment bank within the financial service industry. The investment bank forms part of one of South Africa's largest financial institutions listed on The South African Stock Exchange ("JSE").

The investment bank was founded in the late seventies with a mere R10, 000 but the vision of the founders and their complementary skills transformed this fledging outfit into one of the most profitable and innovative investment banks.

Twenty eight years later the staff of the investment bank has grown to 850 people. The investment bank plays an important part in the financial sector and contributes in no small measure both to nation-building and economic development.

The investment bank trades off the balance sheet of one of the largest financial services group listed on the JSE. This gives it the best of both worlds – the agility and innovative capacity of an investment bank, along with the financial muscle of a large financial services group.

As a full-service investment bank, the investment bank delivers the whole spectrum of investment banking services – from bond and management buy-outs to privatisation and international finance. The whole range of services is:

- Commodities – trading and structuring,
- Advisory – corporate finance for mergers, acquisitions and listings,
- Debt – money and capital-market activities and solutions, derivatives, financial engineering, structured finance, project and infrastructure finance,
- Equity – equity market activities, private equity and solutions,
- Forex – financing, derivatives, forex market activities and solutions,
- Private equity – management buyouts, leverage buyouts and black economic empowerment transactions,
- Resources – mining and natural resources.

The values of the investment banks brand are inseparable from those of the company, which can be summarised as follows:

- Trusting and empowering people,
- Thriving on complexity and change and
- Respecting the spirit of agreements.

Employees work for the investment bank because of the bank's dynamic workplace culture, which is geared towards eliminating bureaucracy, making employees accountable and rewarding performance. People are respected and rewarded for their contributions rather than their titles or functions. The core values of the investment bank are:

- We trust and empower our people,
- We thrive on complexity and change,
- We respect the spirit of our agreements and
- We strive to be good corporate citizens.

The clients of the investment bank respect the bank's expertise and approach to business. This business approach describes the banks ability to do bold, innovative things while sticking to the principles of sound, prudent banking.

The banks philosophy is to employ exceptional people because once you have the best people it is easy to deliver exceptional performance in accordance to the investment bank's standard. It is the balance between the exceptional people and the culture that makes the investment bank one of the employers of choice.

"As the employer of choice, the investment bank has built a solid reputation among clients as the investment bank of Choice"

CEO of the Investment Bank

1.2 Problem statement

1.2.1 Research problem

In South Africa there are only a few investment banks competing for business in the South African market. To meet the demand of the business community the investment banks have to recruit, develop and retain the right kind of employee. This study will focus on what makes these people so unique and why these employees keep on working for an investment bank year in and year out.

The question is therefore: is it the power, money and prestige attached to working for such an organisation that makes the workers so loyal? Some people believe that it is merely the culture in which people grow up, in a culture that is not warm or of a nurturing kind. The people normally working for an investment bank are born with ambition, greed, paranoia and a sense of making money. People working for an investment bank therefore have a collective chip on their shoulder.

It is an assumption that is quite common in the industry that people working for an investment bank only last for a period of ten years or so. They then will leave because they are rich, they are exhausted or because they are asked to leave. "You do not sign on for a retirement program. You have a phase of the moon to make your money, and then you make room", says a former partner of one of the investment banks in the United States (McLean, 2004:84-102).

It will always seem that people working at an investment bank work just a bit harder and harder each year. The demands get tougher and tougher but the industry has managed to harness all the individual greed, ambition and paranoia into genuine teamwork. Through teamwork, individual innovation and brilliancy, the industry has survived because of pure instinct and perfection in everything they do (McLean, 2004:84-102).

The industry is doing well because it attracts good people, and good people attract other good people and in this industry that is the stock in trade. Your people are your most valuable asset that must be nurtured and looked after because without people

the innovation will no longer exist and the industry will fade away (McLean, 2004:84-102).

The question is therefore: are these people motivated at all by the material awards given to them or are they driven by pure ambition and willingness to work long hours in achieving their goals and ambitions. This study will focus on motivation and evaluate what motivates individuals working in an investment banking environment.

In South Africa investment bankers are perceived to be driven by power, money and the prestige attached to working for such an organisation. The question is: What motivates individuals working for an investment bank? Is it the power, money and the prestige, working for an investment bank or is it merely the culture in which shared values and team work are central?

1.3 Objective of study

1.3.1 Primary objective

The primary research objective is to research what motivates employees working for an investment bank and whether money influences the motivation of employees working for an investment bank.

1.3.2 Secondary objective

A secondary objective is to determine whether employees working for an investment bank are merely motivated by the investment bank culture in which shared values and team work are central.

1.4 Methodology

The study incorporates the following aspects: a literature study will be done on the theoretical aspects to gain knowledge on the subject matter, also an empirical study to test and study the theoretical aspects of the study in the financial market place.

A brief outline of the various aspects follows:

1.4.1 Literature study

A literature study will be conducted on the various motivational theories and the discussion will give attention to the following:

- The concept of motivation,
- Debate over the roots of human motivation and whether money plays a roll in motivating employees,
- Incentive plan variables,
- Size of the incentive,
- Various motivation theories and approaches, and
- Establish which theory will be applied to the study.

1.4.2 Empirical study

The following aspects regarding the empirical study are highlighted.

1.4.2.1 Research design

An exploratory study will be conducted through the use of a survey questionnaire to test the research hypothesis.

1.4.2.2 Sample

The test hypothesis is whether there is a statistical difference between the incentive attributions between two groups (refer 1.4.2.3) within the population. It is argued that the best sampling technique would be to use stratified random sampling since the two subpopulations do not constitutes equal weights in the population (Steyn, Smit, Du Toit & Strasheim, 1998:25).

The strata (*i*) size (n_i) would therefore be calculated as:

$$n_i = \frac{\text{Number observations in group } i}{\text{Total population}} \times \text{sample size}$$

where $i = 1, 2$ and

sample size = 40 employees

Observations will be drawn randomly without replacement.

1.4.2.3 Population

The population for this study has been defined as all employees who have been in the employment of the investment bank for one year and longer.

The population will only include employees working in South Africa although the investment bank operates from international offices in Mauritius, Ireland, the United Kingdom and Australia.

The population will be divided into subgroups of specialist transactors and specialist support personnel. The number of employees that falls within the population criteria is 169 specialist transactors and 261 specialist support personnel.

For the purpose of this study, a one on one interview will be conducted with each employee that has agreed to participate in the study. It was important that each employee in the population had a chance to take part in the study because the results of the study will be used to draw certain conclusions on the motivational behaviour of employees working at the investment bank.

1.4.2.4 Questionnaire design

The purpose of the questionnaire will be to collect and record primary research data. The questionnaire needs to be well designed to ensure that it meets the research objectives, obtains valid and reliable data from the employees and facilitates data processing and collection (Zikmund, 2003:361).

1.4.2.5 Questionnaire formats and content

The questionnaire will be conducted in English, it will be short and to the point. The questionnaire will contain a detailed letter of instruction that will be discussed with each employee during the one on one interview.

Careful consideration will be given to the language, logic and sensitivity of the questions.

1.4.2.6 Data collection

Because of the limitation on the sample size, data will be collected by setting up one on one interviews with each employee who has agreed to participate in the study. This is a time-consuming way of collecting data but because of the limitations on the sample size it was in the best interest of the researcher to collect accurate and complete data from the group of employees who agreed to participate in the study. This will ensure that the data can be used effectively during the analysis phase of the study.

The questionnaire will be discussed and completed during the interview process. The researcher will therefore make sure that all questions are completed correctly and the dataset is complete and accurate so that further analysis can be performed.

The completed questionnaires will be captured and checked for accuracy before being analysed and evaluated using various analytical processes and techniques.

The analysed dataset will be used to test the hypotheses and to derive practical conclusions from the analytical analysis. The conclusions reached will be documented and shared with management of the investment bank to ensure that the investment bank will get some practical benefit out of the research that has been conducted.

1.5 Limitations of the study

The study will be limited to only one investment bank therefore the study will not include the other four major financial institutions in the financial market place.

The sample size is an area of concern, as it will be difficult to obtain commitment from participants who are usually extremely busy with their deal-making tasks in an environment where time is money, and not having your eye on the market can result in losing golden opportunities for an investment bank.

However senior management buy-in was sought and meetings took place to ensure the necessary commitment from the deal-making team and the administrative employees of the bank. The fact that the study was limited to a small sample size will be highlighted throughout the study especially in the analysis and interpretation phase of the study.

The study will only be conducted within the South African financial sphere although the investment bank operates from international offices in Mauritius, Ireland, the United Kingdom and Australia. Therefore the conclusions reached will only be applicable to the South African operation.

1.6 Chapter outline

1.6.1 Chapter 1: Introduction

Chapter 1 has served as introduction, setting out a high level theoretical overview and a background on the target organisation. The rest of the chapter referred to the research problem, objectives of the study and the research methodology that will be adopted for the rest of the study. The last aspect in the chapter referred to the limitations of the study and the layout of the mini-dissertation.

1.6.2 Chapter 2: Literature overview

This chapter will focus on a literature overview and a discussion on the various motivation theories and approaches. The discussion will lead to which theory will be considered as the base to establish an empirical framework of analysis resulting in the questionnaire. The chapter will include a detailed discussion around motivation and describing the concept of motivation.

1.6.3 Chapter 3: Research methodology

This chapter will focus on the design and methodology of the empirical study. The chapter will focus on the preparation and drafting of the questionnaire, the gathering of the data and structuring the data in order to perform proper statistics on the data obtained.

1.6.4 Chapter 4: Data analysis and interpretation

In this chapter the results of the empirical study will be discussed. This will help in gaining an understanding of what motivates employees working at an investment bank.

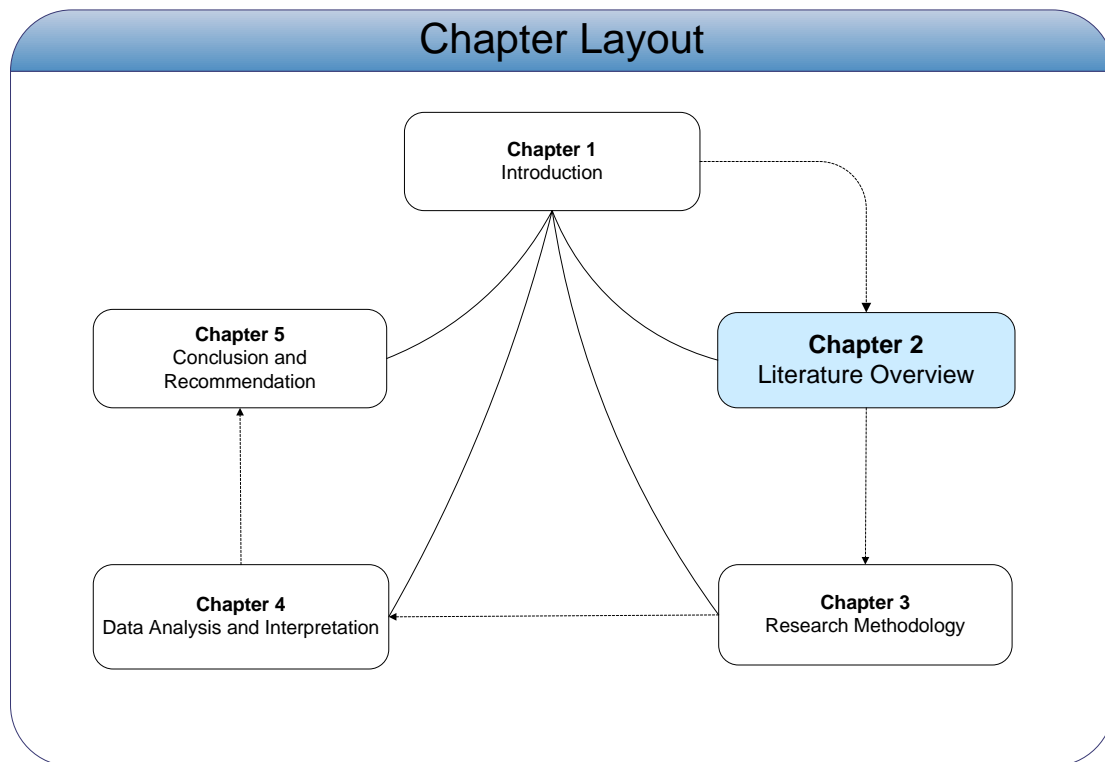
During this phase of the study the researcher will capture and check the data for accuracy and completeness before analysing the data using the chosen analytical process and analytical technique.

1.6.5 Chapter 5: Conclusion and recommendation

The conclusion reached through this study will be documented in this chapter and shared with management of the investment bank to ensure that the investment bank obtains some practical benefit out of the study.

CHAPTER 2

Figure 2 – Portrays the relationship of Chapter 2 within the context of this research



2 LITERATURE OVERVIEW

2.1 Introduction

Many theories and motivational approaches have been proposed to help managers motivate people to engage in constructive behaviour. This chapter will describe the most useful of the various motivational theories and motivational approaches.

The chapter will start with the most fundamental aspect of describing the concept of motivation. The chapter will also facilitate the debate over the roots of motivation and if money plays a roll in motivating employees. The various motivational theories and approaches that will be discussed are – Maslow's need hierarchy, McClelland's need theory, motivation through job design, job enlargement, job rotation, job enrichment, the job characteristics model and intrinsic motivation. These theories and

approaches only describe certain basic and powerful actions managers can take to motivate employees.

The chapter will also touch on various incentive plans and whether the size of the incentive influences the motivational levels of employees.

2.2 The concept of motivation

According to the Oxford dictionary motivation is defined as enthusiasm and the Oxford dictionary defines enthusiasm as intense enjoyment, interest or approval.

Based on this definition one should ask one self - What does motivation involve?

The term motivation is derived from the Latin word *movere*, meaning “to move”. Motivation represents those psychological processes that arouse and direct goal directed behaviour (Kreitner et al., 2004:258-259).

Robbins et al. (2004:131) states that motivation is the process that accounts, for an individual's intensity, direction, and persistence of effort towards attaining a goal. While general motivation is concerned with effort towards any goal.

Daft (2004:309) refers to motivation as forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action.

2.3 Debate over what is the root of human motivation and whether money plays a roll in motivating employees

2.3.1 Introduction to debate

There is a debate over the roots of human motivation. The behaviourist believes that human behaviour is the product of consequences. They promote the liberal use of positive reinforcers, including increases, promotions, bonuses and prizes as incentive for improving performance.

At the other extreme is a group that might be labelled anti-behaviourists. They believe that monetary rewards will not bring employees happiness and may even work against the employer who uses those.

Behaviourists offer a number of rebuttals, but their most persuasive argument is that money can mean many things to many people. The monetary motivation is a complicated process. Issues such as how much money it takes to excite someone or whether the desired results are a measurable influence if money motivates performance. Anti-behaviourists prefer natural rewards. Give each person a chance to do his or her best, find ways for them to work in teams, give them variety and a sense of worthwhile work, and give them as much choice as possible in what they do and how they do it.

For a manager there is not a right or wrong answer. The best action to take as a manager depends on a balance of both types of rewards – nature and extrinsic (Grobler et al., 2002:108).

2.3.2 Arguments over the roots of human motivation and whether money plays a roll in motivating employees

Various studies have been conducted in what motivates people working for a particular company and or industry. Psychologists have proved that money doesn't motivate, yet employers continue to do fairly well on the assumption that it does (McClelland, 1968:23).

According to Patton (1999:101) one often hears that "Money does not motivate people to perform well", or that monetary compensation is ranked low on the list of things that motivate people. Patton (1999:101) continues and states that motivation is based on the concepts of behavioural psychology, ergo behavioural management. Patton (1999:102) states that according to a survey done by Aon Consulting in 1998 a pay cheque may be ranked 11th by employees who were asked to rank it among other motivating factors that may be a reason for staying at the company. It is also most unlikely that any, of the surveyed employees would continue to work at their respective companies if they were not offered a pay cheque. What one finds is that employees want all the positive things: money, recognition, open communication, ability to challenge the status quo, opportunity for personal growth and all the other

soft issues within a working environment. Patton (1999:102) states that according to a study conducted with employees at First Interstate Bank in California employees wanted generally to be recognised in the following three ways, and in combination, not just one or the other:

- i) Employees want to be recognised by their peers and their boss' boss.
- ii) Employees want to receive some sort of trophy, certificate or other distinctive physical form of recognition.
- iii) Employees want to receive a monetary award of significant value.

Patton (1999:102) states that the survey revealed that it was more meaningful to employees to be recognised by their boss' boss than their direct supervisor or the Chief Executive Office ("CEO"). The employees assumed that their immediate supervisor should recognise their contribution on a daily basis, and that the CEO had no idea what they did. But they felt their boss' boss could influence future opportunities for increases and promotions.

Patton (1999:103) concludes by saying that monetary reward is sacred. Employees deserve a piece of the pie. Employees think that it is their right that they receive financial reward for doing something that makes the company a lot of money. It is ludicrous to think that money does not motivate people. The fact is, money is an important element, along with other important elements with which employees expect to be recognised and rewarded.

According to Gage (2003:12) many companies are searching for ways to achieve higher level of performance. Managers often believe that money is the primary motivator for every employee. Gage (2003:12) states that a primary limitation with money linked to performance reviews, are that they only occur once a year. Achievements and progress need to be rewarded frequently throughout the year. A key to a successful incentive plan is to find out what motivates a company's employees and to set up an incentive plan that will cater for the various motivational aspects of the employees working for the organisation.

Gage (2003:12) found that some of the best ways of recognising contribution are:

- i) To send out a simple thank you card to acknowledge a specific contribution made, such as going the extra mile for a customer.

- ii) A small gift certificate to a store, restaurant or a movie theatre ticket with a couple of hours off.
- iii) Asking employees to contribute to the bigger picture. Ask them for their ideas and make sure the employees get recognition for an idea that contributed to the streamlining of the organisation.

One must make sure that whatever rewards a manager gives, matches the efforts of the individual team and what that idea or effort contributed to the bottom line. It is important that you as a manager know how much your team has contributed and how successful the team was to the overall success of the organisation (Gage, 2003:12).

In a journal article written by Cadrain (2003:81) the question of cash versus non-cash rewards was addressed. Cadrain (2003:81) asked the question if cash rewards are the most effective way of thanking your employees. Cash rewards are a significant component of thanking employees, but for other employees it is not the only way of thanking them, or even necessarily the best way to motivate workers. When trying to decide between cash and non-cash awards one should take into account the following two factors:

i) The behaviour being rewarded

Does a company want to reward employees for the effect of their performance on the bottom line, or on how they execute company values? Performance based on rewards, for example exceeding sales expectations, can be rewarded with hard cash because you are rewarding performance that relates to economic benefits for the company (Cadrain, 2003:82).

Value-based rewards are more subjective. These types of rewards acknowledge traits such as teamwork or the ability to build morale (Cadrain, 2003:82).

ii) The recipients being rewarded

A manager must understand his/her employees to know what will motivate them. To do this a manager should look at both demographic and psychological factors. A lower-level employee with a lower income level might have more basic needs and might prefer cash whereas a sales-

representative, earning higher income, might prefer something with trophy value to motivate him/her (Cadrain, 2003:82).

According to Cadrain (2003:84) rewards can be broken up into:

- i) Rewards for doing one's regular job, only better,
- ii) Rewards for doing work outside the regular job, and
- iii) Rewards for suggestions.

Cadrain (2003:82) states that employers commonly think of work/life programs – which include flexitime, child care and elder care – as valuable recruitment and retention tools. These programs look for various ways of how to reward employees for quality and quantity. These reward-programs will and can include flexible work schedules or replacing time with time. Cadrain (2003:82) states that according to a survey conducted by Watson Wyatt top-performing employees, males and females, and professional/technical workers, all consider flexible work schedules as their most desired reward and also never under-estimate the power of a thank-you for a job well done.

According to McArthur (1973:65) people can only be motivated to greater achievements by work itself, but, of course, they must be satisfied with their salary first. In other words first pay an employee enough so that the employee can ensure his day-to-day survival before trying to interest him in greater achievement on the job.

McArthur (1973:65) states that money then becomes, if not the motivator, at least the key to the motivation door. At a different level in an organisation, money in itself is often the only motivator. The manager, for example, whose job is so totally demanding that it satisfies his entire ego and self-achievement, needs money and the prospect of money is all he has to propel him forward (McArthur, 1973:65).

According to Meudell & Rodham (1998:128) various motivation theories and methods can be used to motivate employees. These methods can be money, goal setting, participation in decision making and job design. Meudell et al. (1998:128) carries on by saying that there is a case to be made that motivation is dependent on a wide variety of variables which could include age, gender, career stage, socio-economic circumstances and even national culture.

Meudell et al. (1998:130) states that according to research conducted in a study to find if money is everything, it was interesting to note that money appeared to be very significantly correlated with motivation to work and working harder. In addition, included in the top five items that motivates employees were money-related categories such as bonuses, promotion prospects and fringe benefits. Least significant in the study was job satisfaction.

Meudell et al. (1998:130) also concluded in his study that motivation can be influenced by the length of service, age, and gender and job title.

Nelson & Spitzer (18) state that most people do not come to work just for money. Clearly money is important, but for most of us, once we can comfortably keep up with our monthly bills, we quickly turn to other factors which have much greater significance: for example – feeling that one is making a contribution, having a manager that tells one when one has done a good job, earning respect from peers and colleagues, being involved and informed about what is going on in the company and doing meaningful and interesting work.

Nelson et al. (18) continues by saying that money paid to employees is compensation. Compensation is a function of the company's compensation philosophy and policies, the market and geographic considerations. Recognition is what you offer employees above and beyond compensation to get the best effort from them. Since compensation fulfils the basic need don't you as an organisation have to compensate the employees first, before other factors will motivate them?

Nelson et al. (18) also goes on by saying that treating employees well, is of paramount importance, if you want them to come to work energised and committed and to bring their best thinking and initiative with them. Management interaction with employees can promote trust and respect between managers and employees or erode it. This interaction will ultimately filter through to how and what a manager pays an employee for a job well done or not.

McClelland (1968:23-24) states that money is not nearly as potent a motivating force as theory and common sense suggest it to be. But if money is not everything, its meaning is conditioned by its importance to each recipient and if money functions only as a symbol representing more important psychological factors in the work situation, why, then do people still view money as a motivator so seriously?

McClelland (1968:23) continues by saying that money contains three clues and that managers cling to these clues as to why money is a motivator –

- i) Money is very important,

The employee may think this is what he is working for. The manager may think he is using it to persuade the employee to work. Both are only partly right. A reward or incentive is an attention getting mechanism. However money is only one form of attention getting. Bright lights and colours, changes in rest periods, reorganisation of work flow can also get attention and can act as a motivator.

- ii) Managers believe in higher financial rewards for greater accomplishment, and
- iii) Money is one interest that managers can manipulate rather easily.

McClelland (1968:24) makes a statement that a change in a manager's orientation is needed. The problem is managing motivation and not managing work but managing the desire to work. Managers can achieve this by using incentive plans to achieve specific objectives within the workplace.

McClelland (1968:24) states that work variables are very important and should be applied correctly to motivate and spur employees on. These work variables are the motives and needs of the workers handling the task, the motivational requirements of the task they are performing, the motives of the managers and the organisational climate. If these variables are applied correctly, managers will succeed in having a positive and highly motivational workforce.

Daft (2004:324) makes a statement that the most effective motivational program typically involves much more than money. Effective organisations do not use incentive pay plans as the sole basis of motivation.

Daft (2004:324) states that the recent trends to motivation are empowering employees and designing work to have greater meaning. Empowerment is the delegation of power or authority to subordinates in an organisation. Increasing employees' power heightens motivation for task accomplishment because people improve their own effectiveness, choosing how to perform a task and using their

creativity. Most people come into an organisation with the desire to do a good job, and empowerment releases the motivation that is already there (Daft, 2004:324).

Empowering employees means giving them four elements that enable them to act more freely to accomplish their jobs. These four elements are:

- i) Employees receiving information about the company's performance,
- ii) Employees having knowledge and skills to contribute to the companies goals,
- iii) Employees have the power to make substantive decisions, and
- iv) Employees are rewarded based on the company's performance (Daft, 2004:324-325).

2.3.3 Closing arguments

To end the debate over what is the root of human motivation and if money plays a roll in motivating employees Trump with McIver (2004:xiii) states that he (Donald Trump) doesn't do it for the money. Trump et al. (2004:xiii) states that what gives him kicks is the art of deal-making and he will continue making deals, big deals, right around the clock. Trump et al. (2004:3) continues to say that he only works with the best and that he will take time to employ the best because once you have the best employees the art of motivation and management becomes a lot easier.

One must find people that suit your business style. Good people will ensure that your business is built on good foundation blocks and that people will make things happen (Trump et al., 2004:4). Trump et al. (2004:4) states that he only employs creative people because creative people rarely need to be motivated – they have their own inner drive that refuses to be bored. This type of person lives on the edge, which is precisely what is needed to be successful and remain successful.

In support of the statement made in Trump et al. (2004:xiii) Stanley (2001:223) states what motivates him is the fact that he loves his job, and he is never bored. Stanley (2001:223) continues by stating if one:

- Loves ones work and it excites you every day,
- Knows that your chosen vocation is one that allows full use of your abilities and aptitudes,

- Get high self-esteem from your work,
- Are absolutely certain that your vocation will make you financially independent one day,

Then you will have no difficulty focusing on your goal and working at a high level of productivity to be successful in what you do.

2.4 Incentive plan variables

Incentive plans can provide that involvement and in general should adhere to the following guidelines:

2.4.1 Bold incentives

Bold financial incentive should be provided to everyone, from the CEO to the tea lady. The recognition should be that their performance is linked to improving the overall company performance. At least a substantial percentage of their base pay should be attainable through incentives (Grobler et al., 2002:407).

2.4.2 Emphasis on team rewards

Team rewards are payments or other forms of non-financial rewards provided to members of a formally established team which are linked to the performance of that team. The reward's purpose is to:

- (i) Deliver the message that one of the organisation's core values is effective team work.
- (ii) Help to clarify what teams are expected to achieve, by relating rewards to the attainment of predetermined and agreed targets and standards of performance and behaviours or to the satisfactory completion of a project or a stage of a project.
- (iii) Encourage group effort and cooperation by providing incentives and means of recognising team achievements.

These rewards are shared amongst the members of teams in accordance with a published formula or on an ad hoc basis for exceptional achievements (Armstrong & Murlis, 2004:386).

2.4.3 Quick feedback

Employees should be kept informed of their performance on a regular basis, say monthly. Incentives should be distributed separately from the regular pay cheque (Grobler et al., 2002:407).

2.4.4 Above – average base

The overall pay package should be set above the norm to inspire the employee to achieve the added milestone set with the incentive related pay package (Grobler et al., 2002:407).

2.4.5 Simple formula

The process and formula for calculating the incentive should be kept simple and straightforward. People's motivation to increase productivity and profits will not improve if they do not understand the formula (Grobler et al., 2002:407).

2.5 Executive incentive and bonus schemes

Virtually all major employers include incentive and bonus schemes in the package at senior management levels. Executive incentive and bonus schemes for senior management and directors provide additional and often substantial sums in addition to basic salary. These payments generally reward the achievement of company growth and meeting profitability targets, although in some schemes they may be related to the achievement of individual objectives linked to specific accountabilities.

Executive incentive and bonuses incorporate an element of risk money into the remuneration package. In general these incentives and bonus scheme include long-term incentives that will allow the executive to accumulate wealth. Traditionally long-term incentives included share options as well as long-term cash bonuses and or part

payment of an annual bonus staggered over a given period of time. The executive bonus schemes that can be adopted by an organisation are profit pools, discretionary or personal target bonus schemes (Armstrong et al., 2004:355-368).

According to Daft (2004:324) employers can make use of the following new motivational compensation programs:

Program name	Purpose of the program
Pay for performance	Rewards individual employees in proportion to their performance contributions. Also referred to as merit pay.
Gain sharing	Rewards all employees and managers within a business unit when predetermined performance targets are met. This will encourage teamwork.
Employee stock ownership plan	Gives employees part ownership of the organisation, enabling them to share in improved profit performance.
Lump-sum bonuses	Rewards employees with a one-time cash payment based on performance.
Pay for knowledge	Links employee salary with the number of task skills acquired. Workers are motivated to learn the skills for many jobs, thus increasing company flexibility and efficiency.
Flexible work schedule	Flexitime allows workers to set their own hours, job sharing allows two or more part-time workers to jointly cover on job. Telecommuting, sometimes called flex-place, allows employees to work from home or an alternate workspace.
Team-based compensation	Rewards employees for behaviour and activities that benefits the team, such as cooperation, listening and empowering others.

Source: Daft 2004:324

The question is therefore: do these rewards work? According to Kohn (1993:55) rewards succeed at securing one thing only and that is temporary compliance. Once the rewards run out, people revert to their old behaviour. Incentives as listed above do not alter the attitudes that underlie human behaviour. Incentives do not create an enduring commitment to any value or action. These incentives rather change what one does on a temporary basis.

Kohn (1993: 56-63) tried to answer the question why rewards fail. Kohn (1993: 56-63) states that an organisation should consider the following six-point framework to examine the true cost of an incentive program in answering the question whether rewards actually motivate and change behaviour within an organisation –

i) Pay is not a motivator

Of course, money buys the things people want and need. Typically when asked the question if money plays a part in motivating employees, one would think that it would head the list, but according to Kohn (1993:58) it only ranks fifth or sixth on the list of what employees care about when it comes to motivation. It is plausible to assume that if someone's take-home pay was cut in half, his or her morale would suffer enough to undermine performance. But it doesn't necessarily follow that doubling that person's pay would result in better work.

ii) Rewards punish

According to Kohn (1993:58) managers understand that coercion and fear destroy motivation and create defiance, defensiveness and rage. One should stem away from a reward system whereby employees are rewarded and or punished for getting things right or wrong. What is essentially taking place in both these approaches is that a lot of people are getting caught. Managers are creating a workplace in which people feel controlled and not an environment conducive to exploration, learning and progress.

iii) Rewards rupture relationships

Relationships among employees are often casualties because of the scramble for rewards. Performance is generally built on team work and team performance. Without teamwork there can be no quality and hence no performance that can be rewarded. These relationships must be nourished and looked after to ensure that the organisation and team members are equally rewarded for good performance. Rewards can produce some damaging reactions, for instance, employees may be tempted to conceal any problems they might be having and present themselves as infinitely competent to the manager in control of the money. Rather than ask for help,

they will attempt to convince the manager that they have everything under control. Very few things threaten an organisation as much as a hoard of incentive-driven individuals trying to curry favour with the incentive dispenser (Kohan, 1994:60).

iv) Rewards ignore reasons

In order to resolve problems in the workplace managers must understand what caused them. Managers often use incentive systems as a substitute for giving employees what they need to do a good job. Instead of providing feedback, social support and giving employees the room for self-determination, managers dangle a bonus in front of employees and wait for results because it requires less effort (Kohn, 1993:60).

v) Rewards discourage risk taking

Whenever people are encouraged to think about what they will get for engaging in a task, they become less inclined to take risks or explore possibilities to play hunches or to consider incidental stimuli; in other words, the number one casualty of rewards is creativity (Kohn, 1993:62).

vi) Rewards undermine interest

If an organisation's goal is excellence, no artificial incentive can ever match the power of intrinsic motivation. People who do exceptional work may be glad to be paid and even gladder to be well paid, but they do not work to collect a pay cheque. They work because they love what they do. Extrinsic motivators are a poor substitute for genuine interest in one's job. Managers should be careful that incentives or pay-for-performance systems do not tend to make people less enthusiastic about their work and therefore less likely to approach it with a commitment to excellence (Kohn, 1993:63).

Rea (1968:82-84) discusses various aspects that an employer can take into account in motivating professional employees. Generally employees consider salary as a measure of the going value of an employee and titles become a hollow status symbol unless they are built on a firm foundation of salary. Rewards for any extra hours of work have become so commonplace that it is expected by employees. Rea

(1968:82-84) mentions the following incentive plans that can be used within a professional working environment to motivate employees:

i) Bonus with an emphasis of how and when to pay it

The first question one should answer if you, as an employer, decide to pay your employees a bonus is, “which method is best for motivating my employees?” In answering this question one should try to find the best method that will best increase professional status, increase recognition of accomplishment and increase the employee’s sense of security. One should realise that not all people are motivated alike and that the method selected will motivate some more effectively than others. Rea (1968:82) states that the best practice is to motivate people with some form of bonus or supplemental compensation. In doing that, you as an employer, can consider the hours that were worked, the quality of work, expansion of services to clients and any potential future value the individual will have to the organisation. Paying a professional employee overtime will not take the above into account and a salary increase merely reflects outstanding performance during a previous period, while paying an employee a bonus will directly reward an employee for his or her contribution to the overall performance of the organisation.

One should also consider the timing of the bonus. Will it have its strongest effect just before Christmas, right after a busy season or at the end of the organisation’s financial year? Also will it have better results if given in instalments more frequently than once a year?

One can also recommend the payment of a special bonus up and above the normal bonus for unusual performance. This type of bonus appropriately recognises the extra effort and such a bonus uses money directly as a motivator according to Rea (1968:83).

ii) Meeting competition for personnel

For maximum power as a motivator, the bonus and salary structure combined, should reflect the current market for professional talent. It should have enough built-in flexibility so that it can top the average salary when

necessary. When an organisation recognises achievement in this manner it motivates the individual further and creates a stimulating and competitive atmosphere among its staff members (Rea, 1968:83).

iii) Behind the fringe

In addition to the fairly common direct uses of money, there are indirect uses which play their part in motivating the professional employee. These motivational benefits can be training programs, sabbaticals or leave of absence, group life insurance, hospital and major medical insurance, pension plans and paid vacations. All the above contribute to the motivational levels of employees (Rea, 1968:84).

iv) Putting money where it motivates the most

Motivating employees is done according to their needs at various levels within the organisation. When an employee is hired you should explain to him/her the organisation's compensation policies for various levels within the organisation. Knowing what an employee should achieve to be rewarded will help in motivating the employee to reach those levels within the organisation.

As time goes on, performance reviews and performance appraisal sessions should be used to their full motivational potentials. These methods are opportunities for managers to identify a subordinate's social needs, esteem needs and self-realisation goals and to isolate frustrating barriers for possible removal (Rea, 1968:84).

According to Rea (1968:84) money as a measure of value and a medium of exchange, gives it the power to stimulate and therefore motivate professional people. It can be used in the form of salary, bonus and profit sharing or indirectly in the form of many fringe benefits and status-related rewards. If money is used intelligently and positively in a motivational mix as a reward for work and as a symbol for broadening responsibilities, it enriches a person's justified confidence and pride in himself and becomes a strong motivator.

According to McClelland (1968:26) the following variables should be present in an incentive plan for it to be highly successful –

i) Probability of success

Moderate probabilities of winning an incentive rewards seen to produce better performance than either very low or very high probabilities of winning.

ii) Size of the incentive

The size of the incentive must be relevant to one's own salary and to other people's salaries.

iii) The response reward relationship

Incentive plans will continue to play an important role in the overall management framework. Effective managers will rationally plan ways to improve productivity through improvement of work climate, by a new focus on key people's motivation, through the matching of people's needs and job needs or by specifically gearing incentive plans to the organisation's situation (McClelland, 1968:28).

2.6 Size of the incentive

Obviously the size of a monetary reward is relative to one's own standing point and to other people's salaries. Five hundred rand is much more of an incentive to a R5,000 wage earners than to a R500,000 executive, although the R500 could become an important incentive to the R500,000 executive if it merely advances him in relation to a competitor. To be effective, the incentive bonus must encourage extra performance that is something over and above that to which the company receives in return for the basic salary (McClelland, 1968:27).

2.7 Motivational theories and approaches

There are various motivation theories and approaches that need to be taken account of in determining what motivates an employee to perform at his or her best with the

minimum supervision. These theories and approaches can be summarised as follows:

Needs – Needs theories are based on the premise that individuals are motivated by unsatisfied needs (Kreitner et al., 2004:261).

Reinforcement – Behaviour is controlled by its consequences, not by the result of hypothetical internal status as instincts, drives or needs (Kreitner et al., 2004:261).

Cognition – Cognitive motivation theorists contend that behaviour is a function of beliefs, expectations values and other mental cognitions (Kreitner et al., 2004:261).

Job characteristics – The task itself is the key to employee motivation. A boring monotonous job stifles motivation to perform well, whereas a challenging job enhances motivation. Three ingredients of a more challenging job are variety, autonomy and decision authority (Kreitner et al., 2004:262).

Feelings/Emotions – This theory is based on the idea that workers are whole people who pursue goals outside of becoming a high performer (Kreitner et al., 2004:262).

These icons can be applied one way or another within an investment banking environment. Investment banks consist of individuals from all facets of life. The tasks within an investment bank are divided into roles that will require individuals to have specific skills and knowledge to perform the task. Other tasks are of a repetitive nature and can be performed by employees that are well-trained and prepared to perform the same task over and over.

Motivational theories that apply specifically to the two categories of tasks within an investment bank are as follows:

2.7.1 Need theories of motivation

Needs are physiological or psychological deficiencies that arouse behaviour. Thus, human needs vary over time and place. There are two basic need theories namely Maslow's need hierarchy theory, and McClelland's need theory.

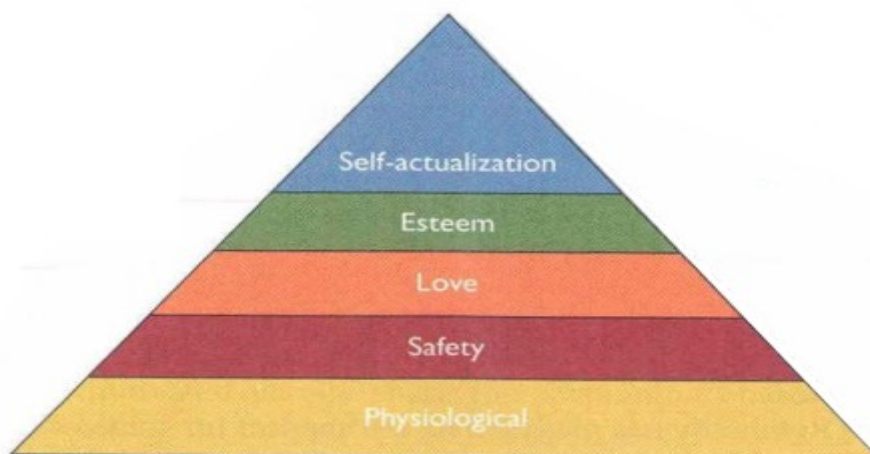
2.7.1.1 Maslow's need hierarchy theory

The Maslow famous need hierarchy theory of motivation was published in 1943. The Maslow need theory proposed that motivation is a function of five basic needs. These needs are:

- i) Physiological – Most basic need, for example having enough food, air, and water to survive.
- ii) Safety – Consists of the need to be safe from physical and psychological harm.
- iii) Love – The desire to be loved and to love.
- iv) Esteem – Need for reputation, prestige and recognition from others.
- v) Self-actualisation – Desire for self-fulfilment – to become the best one is capable of becoming (Kreitner et al., 2004:263).

The Maslow need theory contends that individuals will climb the ladder of need fulfilment until they have become realised. If any need is not fulfilled, the individual will continually strive to fill that need; for example the need becomes a motivational factor at any level. Needs may be fulfilled outside the organisation as well as within the organisation (Kreitner et al., 2004:264).

Figure 3 – Maslow's Need Hierarchy



Source: Kreitner et al. (2004:263)

2.7.1.2 McClelland's need theory

The McClelland need theory distinguishes between three major motives influencing all human behaviour, namely:

i) The need for achievement

Achievement theories propose that motivation and performance vary according to the strength of one's need for achievement. The need for achievement is defined by the following desires: to accomplish something difficult, to master, manipulate or organise physical objects, human beings or ideas, to do this as rapidly and as independently as possible, to excel one's self, to rival and surpass others and to increase self-regard by the successful exercise of talent (Kreitner et al., 2004:265).

Achievement-motivated people share three common characteristics: The first is a preference for working on tasks of moderate difficulty. Achievers like situations in which their performance is due to their own efforts rather than to other factors, such as luck. A third characteristic of high achievers is that they desire more feedback on their successes and failures than do low achievers (Kreitner et al., 2004:265-266).

ii) The need for affiliation

People with a high need for affiliation prefer to spend more time maintaining social relationships, joining groups and wanting to be loved. Individuals high in this need are not the most effective managers or leaders because they have a hard time making difficult decisions which might cause others to dislike them (Kreitner et al., 2004:265-266).

iii) The need for power

The need for power reflects an individual's desire to influence, coach, teach or encourage others to achieve.

This can also be called an "influence goal", referring to the attempt to outperform others. In this sense the goal is to establish a position and/or

reputation according to an externally derived standard, for example, a person being formally appointed by others in a powerful position or to have the most expensive house or car (Kreitner et al., 2004:267).

There are other motivational theories that will and can influence the motivation of employees working in an investment bank. These theories are:

2.7.2 Motivating employees through job design

Job design – Changing the content or process of a specific job to increase satisfaction and performance. The four major approaches to job design are –

2.7.2.1 Mechanistic approach

The mechanistic approach to job design can only be applied because jobs are highly specialised and standardised. The application of this approach involves the following steps:

- Develop standard methods for performing jobs by using time and motion studies,
- Carefully select employees with the appropriate abilities,
- Train workers to use the standard methods and procedures,
- Support workers and reduce interruptions and
- Provide incentives to reinforce performance (Kreitner et al., 2004:267).

2.7.2.2 Motivational approaches

The motivational approaches to job design, attempt to improve employees' effective and attitudinal reactions such as job satisfaction and intrinsic motivation as well as a host of behavioural outcomes such as absenteeism, turnover and performance. Three key motivational techniques are:

Job enlargement

Job enlargement involves putting more variety into a worker's job by combining specialised tasks of comparable difficulty (Kreitner et al., 2004:268-269).

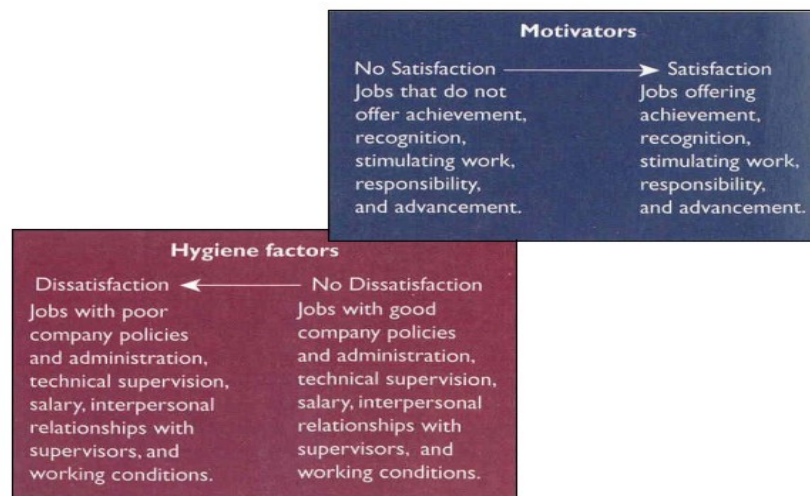
Job rotation

Job rotation calls for moving employees from one specialised job to another. By rotating employees from one job to another one increases the firm's skill base, flexibility and easier scheduling. One believes that you can stimulate interest and motivation while providing employees with a broader perspective of the organisation (Kreitner et al., 2004:269).

Job enrichment

Job enrichment is based on Frederick Herzberg's motivator – hygiene theory of job satisfaction. The Herzberg theory precludes that one can motivate individuals by incorporating “motivators” into an individual's job. Motivators that can be included in one's job are – achievement, recognition, characteristics of the work, responsibility and advancement. Herzberg found job dissatisfaction to be associated with factors in the work context or environment. Specifically, company policy and administration, technical supervision, salary, interpersonal relations with one's supervisor and working conditions were most frequently mentioned by employees expressing job dissatisfaction (Kreitner et al., 2004:270).

Figure 4 – Herzberg's Motivator-Hygiene Model



Source: Kreitner et al. 2004:270

Job enrichment is based on the application of Herzberg's ideas. Specifically, job enrichment entails modifying a job to such an extent that an employee has the opportunity to experience achievement, recognition, stimulating work, responsibility and advancement. This can be achieved through vertical loading. Vertical loading consists of giving workers some responsibility. One can achieve this by applying the following seven principles - (Kreitner et al., 2004:270)

Principle	Motivators Involved
Removing some controls while retaining accountability	Responsibility and personal achievement
Increasing the accountability of individuals for their own work	Responsibility and recognition
Giving a person a complete natural unit of work (module, division, area and so on)	Responsibility, achievement and recognition
Granting additional authority to an employee in his activity, job freedom	Responsibility, achievement and recognition
Making periodic reports directly available to the worker himself rather than to the supervisor	Internal recognition
Introducing new and more difficult tasks not previously handled	Growth and learning
Assigning individuals specific or specialised tasks, enabling them to become experts	Responsibility, growth and advancement

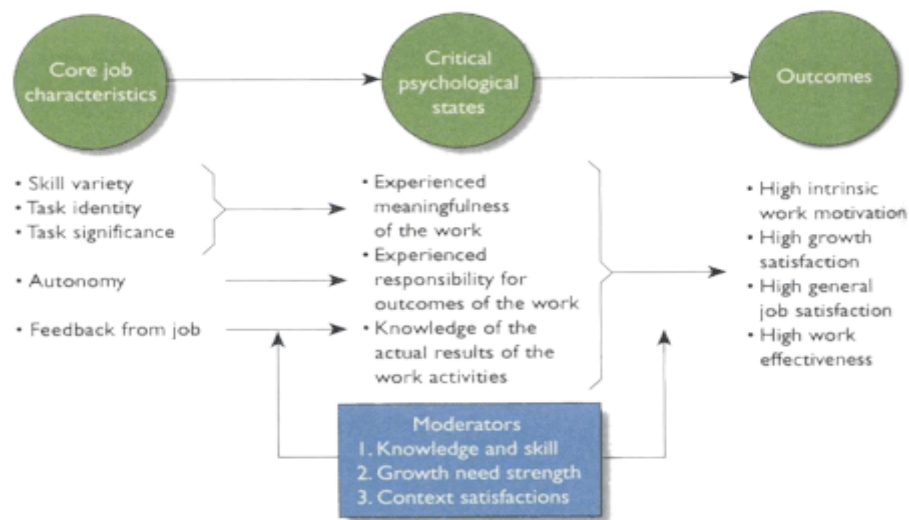
Source: Kreitner et al. 2004:270

2.7.3 The job characteristics model

Intrinsic motivation occurs when an individual is “turned on to his work because of the positive internal feelings that are generated by doing well, rather than being dependant on external factors such as incentive pay or compliments from the boss” (Kreitner et al., 2004:272-273).

The job characteristics model consists of internal work motivation. Internal work motivation is determined by three psychological statuses. In turn, these psychological statuses are fostered by five core job dimensions. As illustrated by the diagram below, the objective of the approach is to promote high internal motivation by designing jobs that possess the five core job characteristics (Kreitner et al., 2004:272).

Figure 5 – The Job Characteristics Model



Source: Kreitner et al. 2004:270

2.7.4 Intrinsic motivation

Intrinsic motivation can be defined as being driven by positive feelings associated with doing well on a task or job. Intrinsically motivated people are driven to act for the fun or challenge associated with a task rather than because of external rewards,

pressures or requests. Motivation comes from psychological rewards associated with doing well on a task that one enjoys. In contrast to completing tasks for the joy of doing them, extrinsic motivation drives people's behaviour when they do things in order to attain a specific outcome. Extrinsic rewards do not come from work itself they include things like salaries, bonuses, promotions, benefits, awards and titles (Kreitner et al., 2004:276).

Figure 6 – A Model of Intrinsic Motivation



Source: Kreitner et al. 2004:270

The model illustrates the four key intrinsic rewards underlying an individual's level of intrinsic motivation. Looking across the rows, rewards of meaningfulness and progress are derived from the purpose for completing various tasks, while the sense of choice and sense of competence come from the specific tasks one completes. Looking down the columns, the sense of choice and meaningfulness are related to the opportunity to use one's own judgement and to pursue a worthwhile purpose.

The intrinsic rewards associated with this model are:

Sense of meaningfulness

A sense of meaningfulness is the opportunity you feel to pursue a worthy task purpose. The feeling of meaningfulness is the feeling that you are on a valuable

mission, that your purpose matter is important in the large scheme of things. “The task purpose is important and meaningful” (Kreitner et al., 2004:277).

Sense of choice

A sense of choice is the opportunity you feel to select task activities that make sense to you and to perform them in ways that seem appropriate. The feeling of choice is the feeling of being free to choose – of being able to use your own judgement and to act out of your own understanding of the task (Kreitner et al., 2004:278).

Sense of competence

A sense of competence is the accomplishment you feel in skilfully performing task activities you have chosen. The feeling of competence involves the sense that you are doing good, high quality work on a task (Kreitner et al., 2004:278).

Sense of progress

A sense of progress is the accomplishment you feel in achieving the task purpose. The feeling of progress involves the sense that the task is moving forward, that your activities are really accomplishing something (Kreitner et al., 2004:278).

The building block of intrinsic motivation is an essential working environment supplied to the employee to strive in adapting to an intrinsic motivation model. The building blocks for an intrinsic motivation model are – meaningfulness, choice, competence and progress.

Meaningfulness – Inspiring employees and modelling desired behaviours

Choice – Empowering employees and delegating meaningful assignments and tasks

Competence – Supporting and coaching employees

Progress – Monitoring and rewarding employees (Kreitner et al., 2004:280).

2.8 Motivational theory that will be applied in the study

The need theories have been applied and received a certain amount of attention in research studies because these theories have been seen as the most enduring way

to understand motivation (Cecil & Boshoff, 1999:53). According to Cecil et al. (1999:53) the need theories suggest that individuals are motivated to increase their job performance by their individual striving to satisfy certain needs.

The researcher will apply Maslow's and McClelland's need theory as a basis to establish an empirical framework of analysis. The reason for applying these theories to the rest of the study is mainly derived from the fact that Maslow's need hierarchy states that an individual first has to fulfil their most basic needs before the desire for self-fulfilment and McClelland's need theory distinguishes between three major motives that influences human behaviour namely: 1) the need for achievement, 2) the need for affiliation and 3) the need for power. The researcher will establish if the need theory of motivation influence the behaviour of employees working for an investment bank.

In the summary the researcher will focus on whether the needs proposed by Maslow are indeed the main motivators for employees at an investment bank or are the employees at an investment bank motivated by the satisfaction of the need to achieve.

2.9 Chapter summary

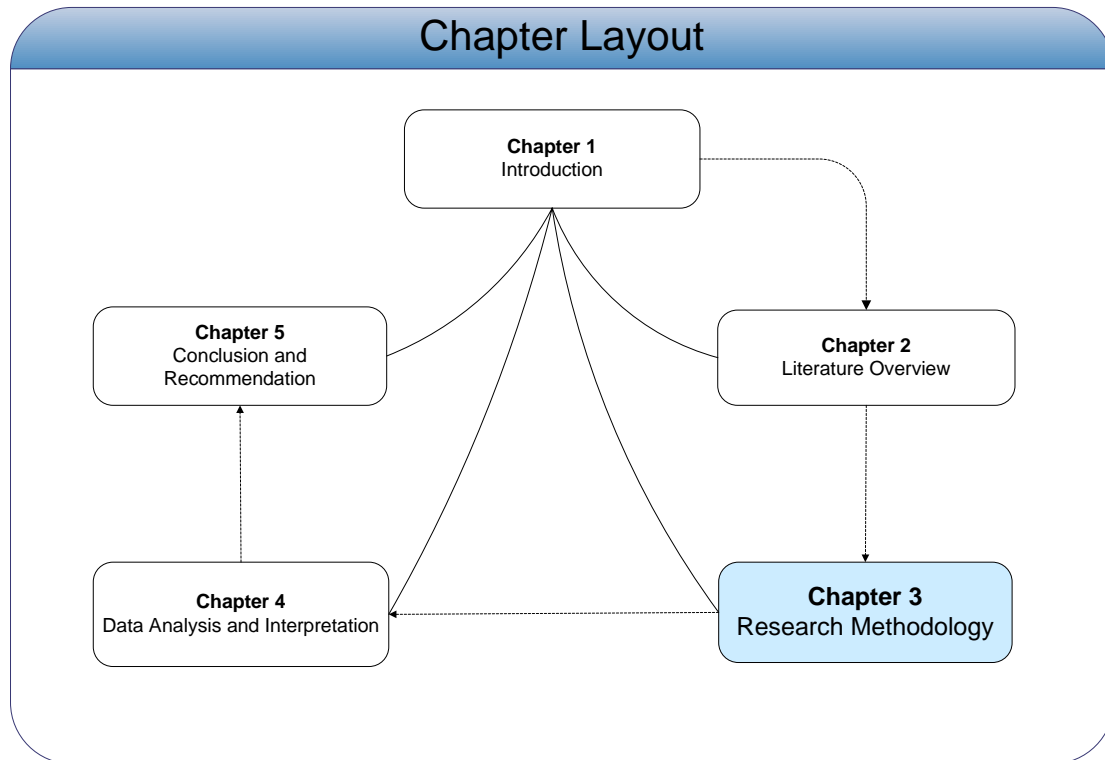
This chapter took a closer look at the concept of motivation. Various motivation theories and approaches were discussed, the roots of motivation were debated and if money plays a roll in motivating employees was also considered.

The discussion in this chapter provides some theoretical background on the various motivational theories and approaches developed to enhance and energise the motivational level of employees. Because of a wide and complex range of motivational theories and approaches, an organisation should take time and effort to come up with a unique and practical motivational concepts that will suit that particular organisation and the people working for the organisation.

The researcher also concluded that Maslow's and McClelland's need theory be applied to the rest of the study. These two need theories will be used to evaluate the result of the empirical study.

CHAPTER 3

Figure 7 – Portrays the relationship of Chapter 3 within the context of this research



3 RESEACRH METHODOLOGY

3.1 Introduction

As indicated in Chapter 1.4, this study will consist of two parts. The first part deals with the literature study on motivation, the concept of motivation, the roots of human motivation, incentive plans variables, size of the incentive, as well as the various motivational theories and approaches. The second part of the study will deal with the empirical study to test and study the theoretical aspects of the study in the financial market place.

3.2 Purpose of an empirical study

The purpose of the empirical study is to determine whether there are differences in the motivational drivers between two subgroups within an investment bank and if Marslow's and McClelland's motivational theories can be applied to an investment bank.

3.3 The research group

The research group will be defined as all employees who have been in the employment of the investment bank for one year and longer. The research group will be further restricted to two subgroups within the investment bank namely specialist transactors and specialist support personnel.

The numbers of employees meeting these two criteria within the investment bank are:

Subgroup	Numbers of employees
Specialist transactor	169
Specialist support	261
Total number of employees that meets the criteria of the research group	430

Only these two subgroups were selected for the study because these subgroups work together as a team within the investment bank. The two subgroups form an integral part of the investment bank's culture and can be seen as the heart of the investment bank. The number of employees that falls within the population criteria is 169 specialist transactors and 261 specialist support personnel.

The research group will only include employees working in South Africa although the investment bank operates from international offices in Mauritius, the United Kingdom and Australia as indicated in Chapter 1.4.2.3.

3.4 Sample framework

As indicated in Chapter 1.4.2.2 it would be best to use the stratified random sampling technique for the purpose of this study since the two subpopulations do not constitute equal weights in the population.

The sample size will be limited to 40 (forty) employees due to various limitations imposed on the researcher as mentioned in Chapter 1.5. The sample size will be drawn randomly without replacement.

The strata (i) size (n_i) would therefore be calculated as follows for the two subgroups:

$$n_i = \frac{\text{Number observations in group } i}{\text{Total population}} \times \text{sample size}$$

where $i = 1, 2$ and

sample size = 40 employees

Where $i = 1$ – Specialist transactors the sample size will be:

$$\begin{aligned} \text{Sample size} &= 169/430 \times 40 \\ &= 16 \text{ specialist transactors} \end{aligned}$$

Where $i = 2$ – Specialist support personnel the sample size will be:

$$\begin{aligned} \text{Sample size} &= 261/430 \times 40 \\ &= 24 \text{ specialist support personnel} \end{aligned}$$

The number of employees that will be selected within the population criteria is 16 specialist transactors and 24 specialist support personnel.

3.5 Data gathering technique

For the purpose of this study, a one on one interview will be conducted with each employee that has agreed to participate in the study.

A one on one interview is a form of communication in which an interviewer asks respondents questions in a face-to-face situation. This versatile and flexible method is a two-way conversation between an interviewer and a respondent (Zikmund, 2003:199).

Zikmund (2003:199-207) mentions the following advantages and disadvantages of using one on one interviews as a data gathering technique:

Advantages

- This method of data gathering allows for feedback, for example the interviewer may provide feedback in clarifying any questions an employee has about the instructions or questions,
- An important characteristic of personal interviews is the opportunity to follow up, by probing, for example if a respondent's answer is brief or unclear, the researcher may ask for a clearer more comprehensive explanation,
- Generally the length of personal interviews are much longer than telephone interviews,
- The face-to-face interaction between interviewer and respondent has several characteristics that will help the researcher to obtain complete and precise information, and
- The presence of an interviewer generally increases the percentage of people willing to complete the interview.

Disadvantages

- One on one interviews are generally more expensive than mail, Internet and telephone survey,
- Lack of anonymity of respondent – the interview is not anonymous and the interviewee may be reluctant to provide confidential information to another person, researchers often spend considerable time and effort to phrase sensitive questions so that social desirability bias will not occur.

Because of the limitation on the sample size it was of the best interest of the researcher to conduct a one on one interview with each employee who has agreed to participate in the study. This is a time-consuming method of collecting data but the

researcher will ensure the completeness and accuracy of the data set by conducting one on one interviews. This will also ensure that the data can be used effectively during the analysis phase of the study.

3.6 Statistical analysis

The data gathered by this study was analysed by the Statistical Consultation Services at the University of Johannesburg by means of the Chi-square test.

According to Zikmund (2003:522) the chi-square distribution provides the means for testing the statistical significance of contingency tables. It allows the testing of differences between two subgroups and the distribution across categories. The chi-square test is one of the simplest techniques for describing sets of relationships in cross tabulation.

The chi-square test will be used to compare the results of the two subgroups within the study. The results of the chi-square test will be displayed by means of pie and bar charts. This generally means that the results of the specialist transactors will be compared to the results of the specialist support personnel by using the chi-square test.

3.7 Research subjects

The population of this study consisted of forty employees across two subgroups within the investment bank. The numbers of employees within each subgroup were sixteen specialist transactors and twenty four specialist support personnel. The characteristics of the two subgroups were as follows:

Gender

	Specialist transactors	%	Specialist support	%
Male	10	62.5	9	37.5
Female	6	37.5	15	62.5
Total	16	100.0	24	100.0

It was quite obvious that more males are working as specialist transactors than females in percentage terms. 62.5% of specialist support personnel are female when compared to 37.5% of employees within the subgroup specialist transactors.

Age

	Specialist transactors	%	Specialist support	%
20 – 30 years	2	12.5	6	25.0
31 – 35 years	6	37.5	9	37.5
36 – 40 years	4	25.0	3	12.5
41 – 50 years	3	18.8	5	20.8
51 years and older	1	6.3	1	4.2
Total	16	100.0	24	100.0

The sample was well diversified between the two subgroups when you compared then by age. It was quite clear that the age group of the majority of the employees within the two subgroups were between 31 – 35 years or 37.5% of the population within the two subgroups respectively.

Marital status

	Specialist transactors	%	Specialist support	%
Single	-	-	7	29.2
Married/Divorced/Widowed	16	100.0	17	70.8
Total	16	100.0	24	100.0

This was the only characteristic that was skewed towards one category namely married/divorced/widowed whereby 100% and 70.8% of specialist transactors and specialist support personnel fell within this category respectively.

Highest qualification obtained

	Specialist transactors	%	Specialist support	%
High school	16	100.0	24	100.0
Certificate/Diploma	5	31.3	8	33.3
Undergraduate at university	15	93.8	18	75.0
Postgraduate at university	9	56.3	9	37.5
Professional qualification	6	37.5	6	25.0

The aim of this question was to determine the educational differences between the two subgroups. It was quite clear out of the results that all of the participants completed high school. Percentage wise it was clear that in general the employees working as specialist transactors obtained further qualifications at university. 93.8% of employees working as specialist transactors obtained a university degree compared to 75% of employees working as specialist support personnel.

The majority of employees in the sample selection obtained a further qualification post high school. It is clear that the employees within the sample size are highly qualified and specialist within their area of expertise.

Number of years at the investment bank

	Specialist transactors	%	Specialist support	%
Less than 5 years	7	43.8	13	54.2
More than 5 years – less than 10 years	6	37.5	8	33.3
More than 10 years – less than 15 years	1	6.3	2	8.3
More than 15 years – less than 20 years	-	-	1	4.2
More than 20 years	2	12.5	-	-
Total	16	100.0	24	100.0

The majority of employees within the sample size have been with the investment bank for 10 years or less. 81.3% and 87.5% of specialist transactors and specialist support personnel have been with the investment bank for 10 years or less.

Overall observation

The sample of employees was well diversified amongst the two subgroups. The sample was not skewed towards any particular characteristic.

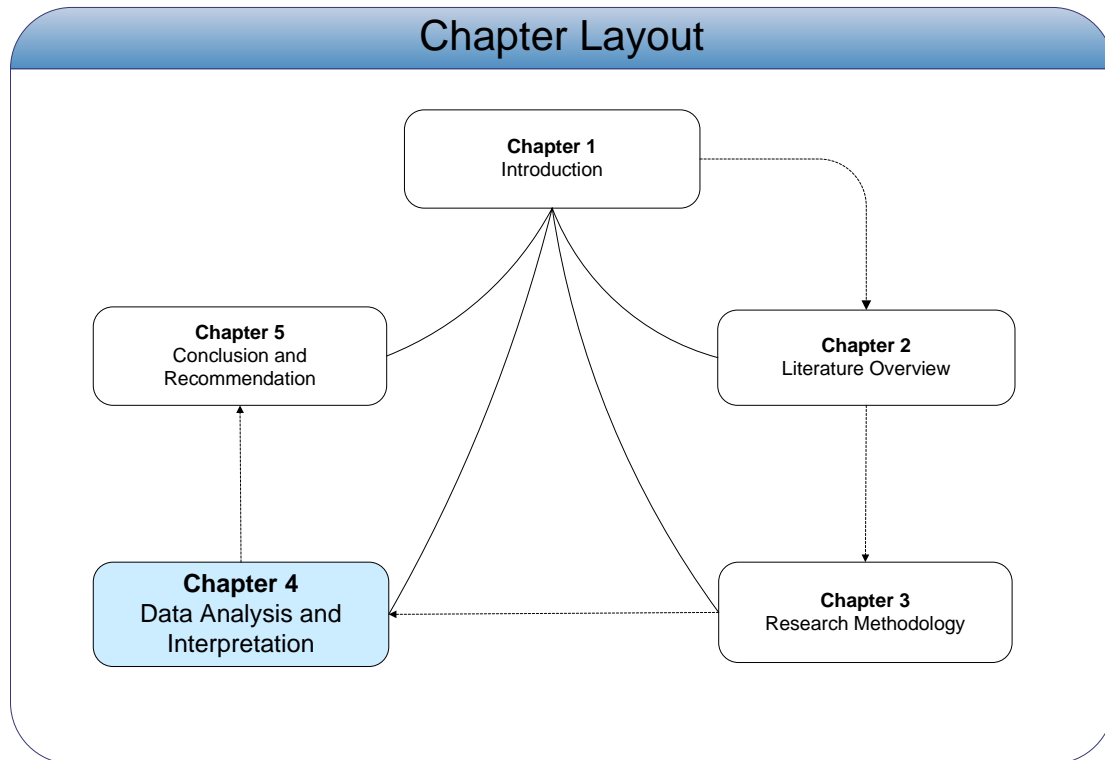
3.8 Chapter summary

In this chapter a research methodology was set-out in accordance with the purpose of the empirical research. The research group were defined and the data gathering technique was tabled with advantages and disadvantages for using one on one interviews as a method of gathering data. The statistical analysis was explained and lastly a detailed analysis was given of the research subjects.

In chapter 4 the results of the empirical chapter are set-out and elaborated on. The chapter will look at the results of this study with a short analysis of each question.

CHAPTER 4

Figure 8 – Portrays the relationship of Chapter 4 within the context of this research



4 DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

Deriving from the empirical study was a data set that was analysed by the Statistical Consultation Services at the University of Johannesburg by means of the Chi-square test. This chapter will take a closer look at these results. Each question asked will be discussed with reference to the two subgroups that formed part of the empirical study. The results of the empirical study will be related back to Marslow's and McClellands need theories determining if these motivational theories can be applied in an investment bank.

4.2 Summary of the different motivational factors addressed in the empirical study

As mentioned before, the need theories of Maslow and McClelland noted that the following aspects drive motivation within an employee:

- Maslow's need hierarchy theory

Maslow identified five general types of motivating needs in order of ascendance:

- (i) Physiological needs. These are the most basic human physical needs, including food, water, and oxygen. In the organisational setting, these are reflected in the needs for adequate heat, air, and basic salary to ensure survival.
- (ii) Safety needs. These are the needs for a safe and secure physical and emotional environment and freedom from threats – that is, for freedom from violence and for an orderly society. In an organisational workplace, safety needs reflect the needs for safe jobs, fringe benefits, and job security.
- (iii) Belongingness needs. These needs reflect the desire to be accepted by one's peers, have friendships, be part of a group, and be loved. In the organisation, these needs influence the desire for good relationships with co-workers, participation in a work group and a positive relation with supervisors.
- (iv) Esteem needs. These needs relate to the desire for a positive self-image and to receive attention, recognition and appreciation from others. Within organisations, esteem needs reflect a motivation for recognition, an increase in responsibility, high status, and credit for contributions to the organisation.
- (v) Self-actualisation needs. These represent the need for self-fulfilment, which is the highest need category. They concern developing one's full potential, increasing one's competence, and becoming a better person. Self-actualisation needs can be met in the organisation by providing people with opportunities to grow, be creative and acquire training for challenging assignments and advancement (Daft, 2004:311-312).

- **McClelland's need theory**

The McClelland need theory identified three basic needs namely:

- (i) The need to achieve is defined as a preoccupation to focus on goals and improving performance.
- (ii) The need for affiliation motivates people to make friends, to become members of groups and to associate with others.
- (iii) The need for power refers to the desire to obtain and exercise control over others, resources and the environment (Grobler et al., 2003:105).

4.3 Findings of the empirical study

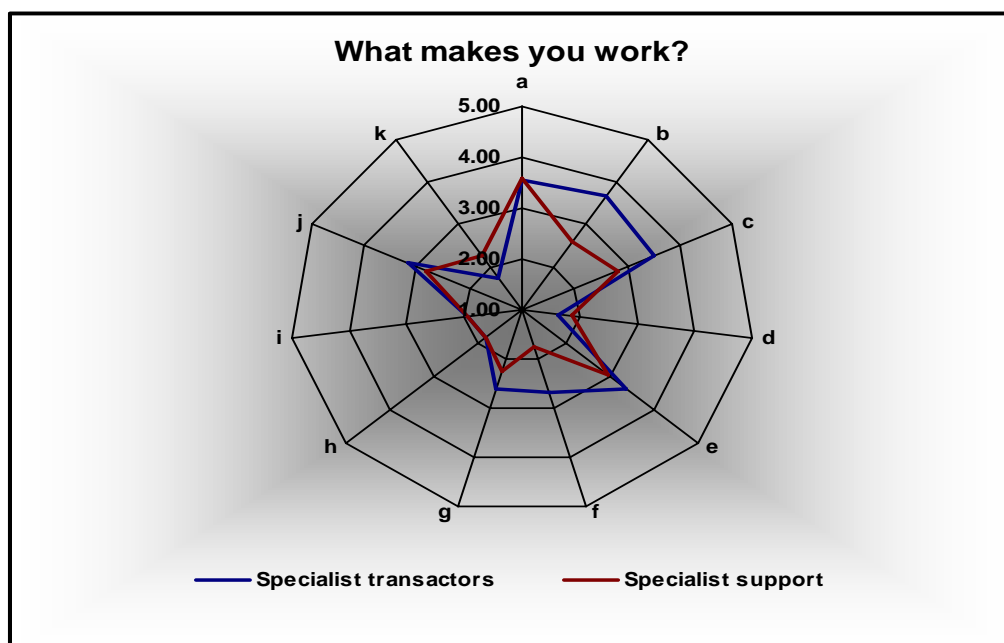
4.3.1 Evaluation of each question per subgroup

4.3.1.1 Question 1 – What makes you work?

I work because

Statistics

		Specialist transactors		Specialist support	
		Mean	Rank	Mean	Rank
a	I have a chance to compete with others	3.56	10	3.58	11
b	I want to keep my job	3.69	11	2.58	7
c	of the prospects of promotion	3.50	9	2.83	8
d	of the money	1.63	1	1.88	3
e	of the way I am managed at the workplace	3.38	8	2.96	10
f	I enjoy the bank's culture	2.69	6	1.75	1
g	I enjoy my current working conditions	2.63	5	2.25	5
h	I get job satisfaction	1.81	3	1.83	2
i	I am allowed to make my own decisions	1.94	4	1.92	4
j	of job security	3.19	7	2.83	9
k	of my bonus	1.75	2	2.29	6



It is quite clear from the statistics above that there are differences between the motivational drivers of the two subgroups within the investment bank.

It is fascinating to note that money is the highest ranked factor of what makes a specialist transactor work, whereas the culture of the bank ranks highest with the specialist support personnel.

If one ranks what makes the two subgroups work it is quite clear that the ability to earn a bonus and the ability to earn more money is highest on the list of the specialist transactors, whereas the specialist support personnel enjoys the culture of the bank and has to get job satisfaction to make them work.

Money does play a roll of motivation within the specialist support personnel but only ranks number three and six on the list of what makes them work, compared to the specialist transactor where money ranks number one and two.

Based on the statistics it is clear that both groups rank the chance to compete with others and the prospect of promotion quite low on their list of what will make them work.

Both Maslow and McClelland's need theories can be equally applied to the two subgroups within the investment bank based on the results of this question. It is quite clear that Maslow's need hierarchy theory will be more applicable to specialist support personnel, because according to the survey results this subgroup will first want to fulfil their basic needs and would like to be loved and accepted within the bank's culture and by their co-workers before they will try to excel and fulfil their esteem and self-actualisation needs by competing against each other and obtaining a higher status within the investment bank.

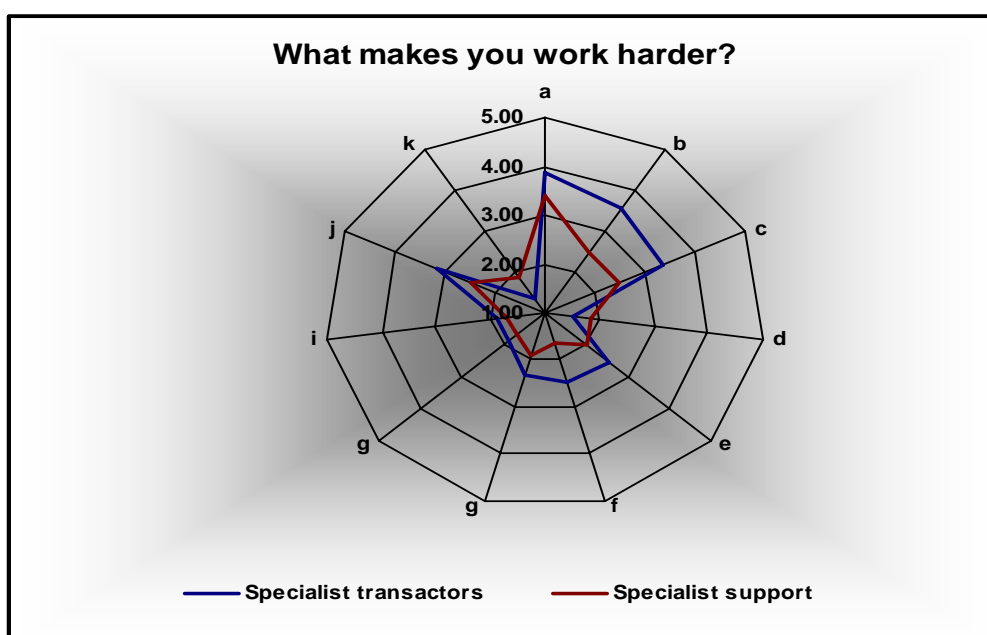
In contrast, the specialist transactor would like to fulfil one basic need way more than any other, need as defined by these two motivational theories and that is to earn money and have the ability to earn a bonus. The softer issues, namely the fact that they do enjoy the bank's culture or have the ability to compete against each other is quite low on the list of things that will make them work. It would appear that they will work for one and one reason only and that is to earn money and a bonus.

4.3.1.2 Question 2 – What makes you work harder?

I will work harder if

Statistics

		Specialist transactors		Specialist support	
		Mean	Rank	Mean	Rank
a	I have a chance to compete with others	3.88	11	3.42	11
b	I want to keep my job	3.56	9	2.46	8
c	I have the prospect of promotion	3.58	10	2.50	10
d	I have the ability to earn more money	1.50	2	1.83	4
e	I appreciate the way in which I am managed at the workplace	2.56	7	2.00	7
f	I enjoy the culture I am working in	2.50	6	1.67	1
g	I am satisfied with my current working conditions	2.31	5	1.92	6
h	I get the necessary job satisfaction	1.88	3	1.67	2
i	I can increase the ability to make my own decisions	1.88	4	1.71	3
j	I can increase my job security	3.19	8	2.50	9
k	I can earn a bigger bonus	1.38	1	1.88	5



It is interesting to note that the theme between the two subgroups in respect of what makes you work has spilled over to this question of what makes you work harder.

The two predominant factors that will make a specialist transactor work harder is, number one, the ability to earn a bigger bonus and close second the ability to earn more money, where in contrast, the two factors that will make a specialist support personnel work harder is the mere fact that the person enjoys the culture they are working in and they must be stimulated at work by getting the necessary job satisfaction.

Both groups once again indicated that the opportunity to compete amongst one another and the prospects of promotions is low on their list of motivational factors that will make them work harder.

One can come to the same conclusive fact that both Maslow's and McClelland's need theories can be applied as a motivational tool that will make these two subgroups work harder.

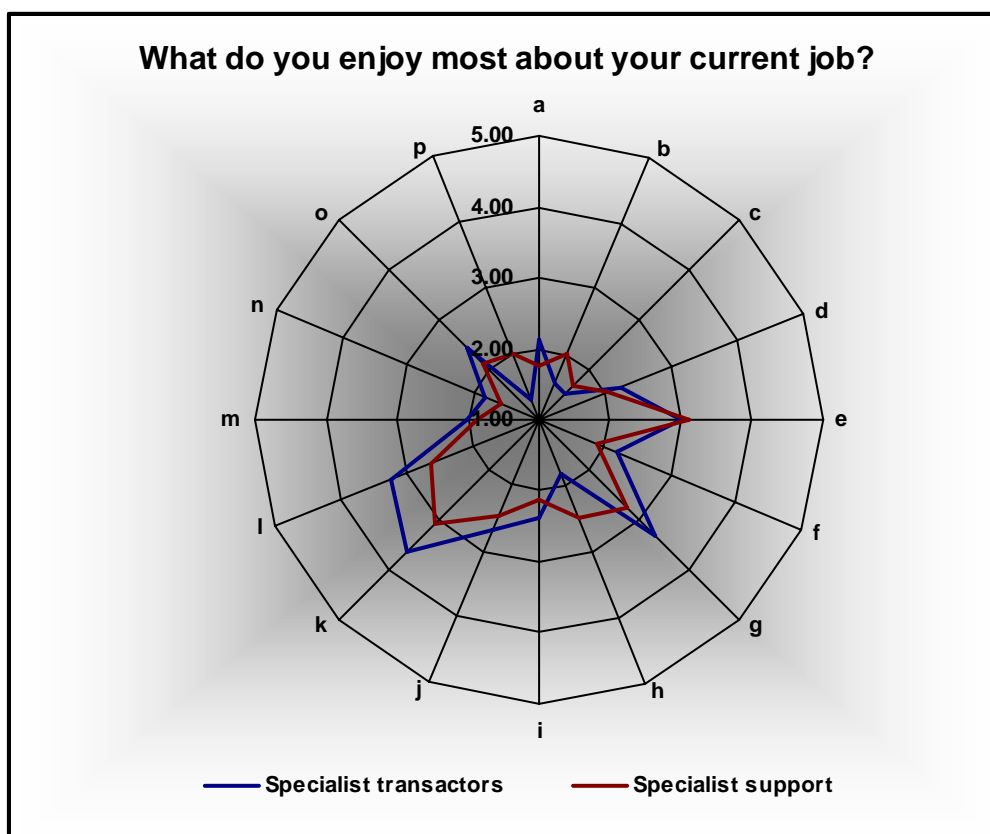
These results give support for applying McClelland's need theory to specialist transactors because the need for achievement comes out strongly with the mere fact that the ability to earn a bigger bonus and higher salary goes hand in hand with achievement and the closing of big deals that will result in improving one's own performance and goals.

Maslow's need hierarchy can be applied to specialist support personnel because this subgroup would like to have their basic needs fulfilled first before any other need as described by Maslow, namely the need of self-actualisation and esteem.

4.3.1.3 Question 3 – What do you enjoy most about your current job?

Statistics

		Specialist transactors		Specialist support	
		Mean	Rank	Mean	Rank
a	The ability to achieve certain goals and opportunities	2.13	7	1.75	3
b	The autonomy and freedom of the job	1.56	3	2.00	6
c	The challenges the work entail	1.50	2	1.67	2
d	The bank's reputation in the market place	2.25	9	2.04	8
e	The geographic location of the bank	3.00	13	3.13	16
f	The people I work with	2.19	8	1.88	4
g	The job security	3.31	15	2.75	14
h	The money associated with the job	1.81	4	2.50	12
i	The opportunities for self-development	2.38	10	2.13	9
j	Pleasant office and working conditions	2.69	12	2.46	11
k	The performance feedback one obtains	3.63	16	3.08	15
l	The recognition from my manager for a job well done	3.25	14	2.63	13
m	The responsibility of the job	2.00	6	1.88	5
n	The sense of achievement	1.81	5	1.58	1
o	The ability to work with people	2.44	11	2.13	10
p	The ability to earn a bonus	1.31	1	2.00	7



Yet again one observes that the ability to earn a bonus is the highest ranking attribute for a specialist transactor when it comes to what they enjoy most about their job. Close second and third are the autonomy and freedom of the job and the challenges the work entails. All of these attributes relate to the specialist transactor's nature of freedom and autonomy to come up with innovative ideas that will enable the specialist transactor to excel in the work place and give him or her ability to earn a big bonus. It is quite clear that this subgroup is definitely motivated by the mere fact that they can earn a bonus.

In contrast to the specialist transactors, the specialist support personnel enjoys the fact that their role within the investment bank is challenging and the subgroup is motivated by the sense of achievement they are getting out of their current job and a job well done. The subgroup obviously strives to achieve, by setting themselves certain goals and objectives and are motivated when they achieve and excel in meeting those goals and objectives.

When one links this aspect to the motivational theories of Maslow and McClelland it is quite clear how the specialist support personnel progress through the various

stages of the motivational hierarchy set-out by Maslow and systematically achieve the highest point of self-actualisation through the achievement of the goals and opportunities set by themselves.

The specialist transactor is clearly motivated and driven by the need to earn a bigger and better salary and bonus. This need goes hand in hand with Maslow's and McClelland's need theory of the need to achieve and to focus on improved performance. By being focussed and constantly improving their performance year in and year out, specialist transactors will earn more money and bigger bonuses.

4.3.1.4 Question 4 – What don't you enjoy about your current job?

Statistics

	Specialist transactors		Specialist support	
	Mean	Rank	Mean	Rank
The long hours	3.19	3	3.04	1
The way in which I am managed	3.44	7	3.17	2
The fragmented systems and working conditions	3.56	8	3.33	7
The bank's remuneration policy	3.63	10	3.71	13
The culture of the bank	3.94	13	3.46	11
The flat structure of the bank – no real promotional opportunities	3.81	12	3.50	12
The lack of opportunity for self development	3.69	11	3.75	16
The lack of performance feedback one obtains from my direct manager	3.06	1	3.38	9
The lack of communication from management	3.25	4	3.17	3
The lack of career development and opportunity within the bank	3.13	2	3.33	8
The lack of true leadership within my business unit	3.25	5	3.21	5
The lack of decision making ability	3.56	9	3.42	10
The lack of supervision and support from my direct manager	4.00	14	3.71	14
The lack of on the job training	4.13	16	3.71	15
The lack of recognition from my manager for a job well done	4.00	15	3.17	4
The lack of a bonus	3.31	6	3.21	6

It is obvious that this question was quite sensitive for both groups to respond too. There is not one aspect that stands out in either group, therefore one can only conclude that there is not a particular aspect that the two subgroups do not like about their current job.

4.3.2 Overall evaluation of each question

4.3.2.1 Question 1 – What makes you work?

I work because

Statistics

	Overall results	
	Mean	Rank
I have a chance to compete with others	3.58	11
I want to keep my job	3.03	8
of the prospects of promotion	3.10	9
of the money	1.78	1
of the way I am managed at the workplace	3.13	10
I enjoy the investment bank's culture	2.13	5
I enjoy my current working conditions	2.40	6
I get job satisfaction	1.83	2
I am allowed to make my own decisions	1.93	3
of job security	2.98	7
of my bonus	2.08	4

Overall the subgroup of employees within the investment bank indicated that they are motivated by money and the fact that the positions they fulfil in the investment bank gives them adequate job satisfaction and instil the ability to make their own decisions.

It is clear that the subgroup of employees have no desire to compete with others and the management style of their peers do not have an impact on what makes them come to work on a daily basis.

4.3.2.2 Question 2 – What makes you work harder?

I will work harder if

Statistics

	Overall results	
	Mean	Rank
I have a chance to compete with others	3.60	11
I want to keep my job	2.90	10
I have the prospect of promotion	2.85	9
I have the ability to earn more money	1.70	2
I appreciate the way in which I am managed at the workplace	2.23	7
I enjoy the culture I am working in	2.00	5
I am satisfied with my current working conditions	2.08	6
I get the necessary job satisfaction	1.75	3
I can increase the ability to make my own decisions	1.78	4
I can increase my job security	2.78	8
I can earn a bigger bonus	1.68	1

It is clear that the subgroup of employees working for the investment bank will walk the extra mile if they can earn more money and a bigger bonus. To achieve this, employees will need to obtain job satisfaction and must have the ability to make their own decisions.

The ability to compete with others and the mere fact to keep their job is very low on the priority list of the subgroup of employees when it comes to motivational drives to make them work harder.

4.3.2.3 Question 3 – What do you enjoy most about your current job?

Statistics

	Overall results	
	Mean	Rank
The ability to achieve certain goals and opportunities	1.90	5
The autonomy and freedom of the job	1.83	4
The challenges the work entail	1.60	1
The bank's reputation in the market place	2.13	8
The geographic location of the bank	3.08	15
The people I work with	2.00	7
The job security	2.98	14
The money associated with the job	2.23	9
The opportunities for self-development	2.23	10
Pleasant office and working conditions	2.55	12
The performance feedback one obtains	3.30	16
The recognition from my manager for a job well done	2.88	13
The responsibility of the job	1.93	6
The sense of achievement	1.68	2
The ability to work with people	2.25	11
The ability to earn a bonus	1.73	3

What stands out quite clearly is that the subgroup of employees enjoys the sense of achievement and autonomy and freedom of their jobs in the investment bank. I do think that this question proves the fact that the investment bank sees their employees as their biggest asset and allows them to achieve their long term goals and objectives in an environment where they have the necessary autonomy and freedom to excel in their perspective roles within the investment bank.

The lack of performance feedback and the location of the investment bank were the lowest ranking factors given by the subgroup of employees in respect of them enjoying their job.

4.3.2.4 Question 4 – What don't you enjoy about your current job?

Statistics

	Overall results	
	Mean	Rank
The long hours	3.10	1
The way in which I am managed	3.28	7
The fragmented systems and working conditions	3.43	8
The bank's remuneration policy	3.68	13
The culture of the bank	3.65	12
The flat structure of the bank – no real promotional opportunities	3.63	11
The lack of opportunity for self development	3.73	14
The lack of performance feedback one obtains from my direct manager	3.25	4
The lack of communication from management	3.20	2
The lack of career development and opportunity within the bank	3.25	5
The lack of true leadership within my business unit	3.23	3
The lack of decision making ability	3.48	9
The lack of supervision and support from my direct manager	3.83	15
The lack of on the job training	3.88	16
The lack of recognition from my manager for a job well done	3.50	10
The lack of a bonus	3.25	6

Overall the subgroup of employees indicated that there is not one specific aspect of their current job that they do not enjoy. This is quite a sensitive question to answer and the results revealed that the subgroup of employees did not want to reveal any aspect of their current job that they do not particularly enjoy.

4.4 Chapter summary

In this chapter the two need theories of Maslow and McClelland were noted in relation to the analysis of the empirical study. The findings of the empirical study were noted by evaluating each question per subgroup and highlighting the key differences between the two subgroups within the investment bank.

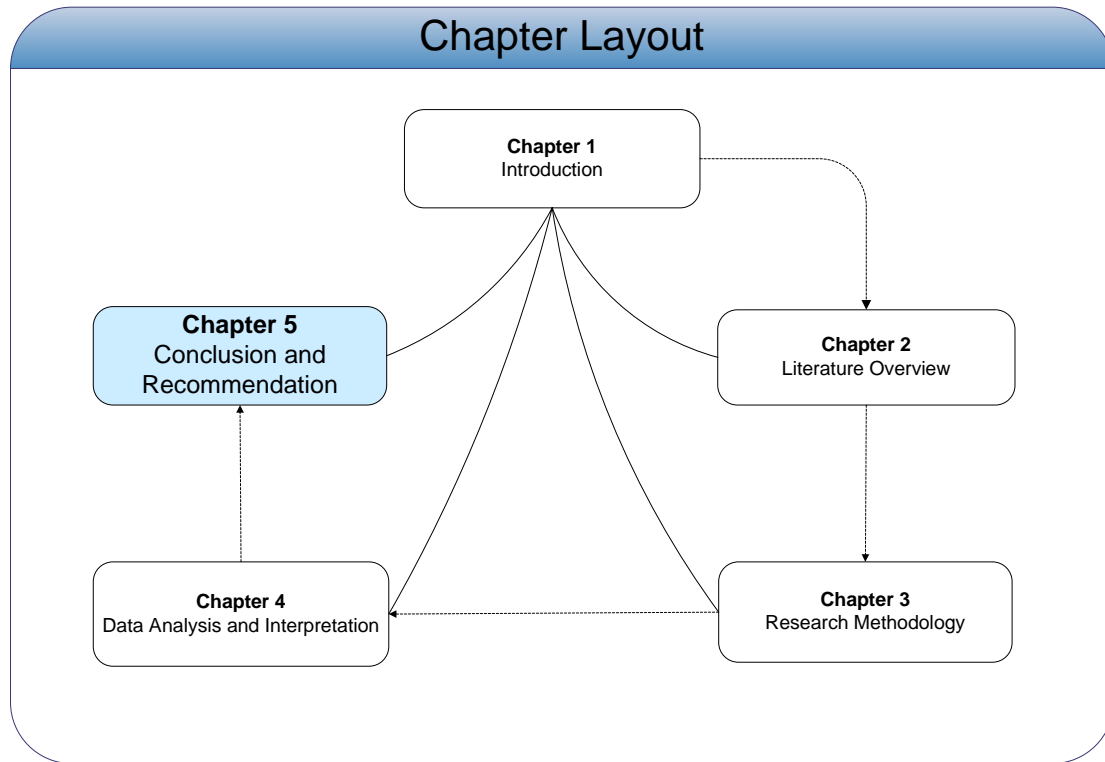
Each question was related back to the needs theories of Maslow and McClelland with the aim to highlight the fact if these two motivational need theories can be applied in an investment bank.

Lastly the overall results of the research group were compared on a question by question basis highlighting the key aspects that will motivate the subgroup of employees that participated in the study.

In chapter 5 the researcher will reach some conclusions based on the empirical study conducted within the investment bank.

CHAPTER 5

Figure 9 – Portrays the relationship of Chapter 5 within the context of this research



5 CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter not only integrates all the various aspects of the study as envisaged in chapter one but it also seeks to draw specific conclusions based on the finding of the study. Specific recommendations are made about whether the needs proposed by Maslow are indeed the main motivators for employees at an investment bank or whether the employees at an investment bank are motivated by the satisfaction of the need to achieve.

In Chapter 1 the research problems were discussed as well as the setting out of the objectives of the study in relation to the target organisation.

Chapter 2 focused on the literature overview with specific reference whether money plays a roll in motivating employees.

In Chapter 3 the research methodology was discussed. This chapter documented the research design, the research group as well as the sample framework. The chapter also focused on the gathering of data in order to perform proper statistics on the research subjects.

In Chapter 4 the results of the statistical procedures were documented and main observations, based on the statistical analyses, were made.

The current chapter indicates how the objectives of the study were reached. The findings of the study are discussed. Conclusions are drawn from both the literature review and the empirical research. The value, as well as the limitations of the study, is pointed out and proposals for future research are made. A discussion on the findings of the study is preceded by a summary of the methodology employed.

5.2 Research methodology in summary

A summary of the methodology of the study includes the basic characteristics of the research subjects, the research procedure and the statistical analysis.

5.2.1 Research subjects

The study consisted of forty employees across two subgroups within the investment bank. The number of employees within each subgroup was sixteen specialist transactors and twenty-four specialist support personnel. The majority of the employees within the specialist transactor group were male between the age 31 to 35 when compared to employees within the subgroup specialist support where the majority of the subgroup were female between the age 31 to 35.

5.2.2 Research procedure

The data for the study was gathered using a survey questionnaire designed to ensure to meet the research objectives. The questionnaire was discussed and completed by the research subjects during a one on one interview with each employee who agreed to participate in the study.

5.2.3 Statistical analysis

The data gathered by the study was analysed by the Statistical Consultation Services of the University of Johannesburg by means of the Chi-square test.

5.3 Summary of key findings

This section discusses the key findings in respect to the objective of the study, both the primary and secondary objectives.

5.3.1 Findings regarding the primary objective

The primary research objective was to research what motivates employees working for an investment bank and whether money influences the motivation of employees working for an investment bank.

The literature research revealed that motivation involves much more than money. Various studies suggested that a combination of factors will have to be applied by an organisation to motivate their employees (for example, Patton, 1999:101; Gage, 2003:12; McClelland, 1968:23-24).

One specific study revealed that the top five items that motivates employees were money related categories such as bonuses, promotion prospects and fringe benefits. Least significant in the study was job satisfaction (Meudell et al., 1998).

The literature overview also revealed that money is not nearly as potent a motivating force as theory and common sense suggested it to be. The research went one step further by stating that people can only be motivated to greater achievements by work itself, if their money-need is satisfied. In other words first pay an employee enough so that the employee can ensure his day-to-day survival before trying to interest him in greater achievements on the job.

The empirical findings revealed that money does play an important factor when it comes to what makes employees work within an investment bank, especially amongst the subgroup specialist transactors.

When one ranks what makes the two subgroups work it was quite clear that the ability to earn a bonus and the ability to earn more money is highest on the list of specialist transactors; whereas the specialist support personnel enjoys the culture of the bank and has to get job satisfaction to make them work.

5.3.2 Findings regarding the secondary objective

A secondary objective was to determine whether employees working for an investment bank are merely motivated by the investment bank culture in which shared values and team work are central.

The literature research did not support the secondary objective. Not one of the studies revealed that culture plays a roll in motivating employees working for a specific organisation.

In contrast to the literature research the empirical research revealed that the investment bank's culture does play a part in motivating employees working for an investment bank. This observation was quite relevant amongst one of the subgroups - namely specialist support personnel.

Both the surveyed questions of what makes you work and what makes you work harder revealed that the investment banks culture ranked the highest amongst the motivational drives for the specialist support personnel.

The empirical study revealed that the investment bank culture as a motivation driver ranked 1st and 6th amongst specialist support and specialist transactors respectively.

5.4 Value of the study

This study has theoretical and practical value. This study contributes to the better understanding of the various motivational drives of employees working in an investment bank. Insight into the various motivational drives can help management to understand employee's motivational behaviour better. This insight can be valuable in the design of future motivational programmes or benefits for employees working at an investment bank.

5.5 Limitations of the study

Although this study has provided relevant insight into the motivational drives of employees at an investment bank, it is important to recognise the limitations associated with this study.

- (i) The study was limited to only one investment bank within the financial market-place therefore, caution is necessary in making generalisations concerning other investment banks operating in the same market place.
- (ii) The sample size was restricted to forty employees working for that specific investment bank.
- (iii) The study was conducted within the South African financial sphere although the investment bank operates from international office in Mauritius, Ireland, the United Kingdom and Australia.

5.6 Recommendation for further research

It is clear from the above that due to the various limitations imposed on the study that the results of the empirical study is not representative of the investment bank or the

industry as a whole. It is therefore recommended that a more comprehensive study be conducted within the financial market place that will establish the various motivational drives of employees working in an investment bank on a representative basis.

5.7 Conclusion

The purpose of this study was to determine what the motivational drives are for employees working in an investment bank and whether money plays a roll in motivating employees working for an investment bank.

The study clearly illustrates (both in theory as well as in practice) that money can be the primary drive for motivation to certain employees within the investment bank. In contrast, the study also illustrated that the culture of the bank and obtaining job satisfaction can be the primary drive for motivation to certain employees within the investment bank. Overall one can conclude that one of the primary motivational aspects for the subgroup of employees which was subject to the empirical study is the mere fact that they can earn more money and a bigger bonus as well as obtaining job satisfaction and having the ability to make their own decisions.

The study discussed Maslow's and McClelland's need theories as well as various other motivational theories and approaches employers can introduce to motivate employees. Maslow's and McClelland's need theories were directly related to the empirical study with the view whether these two motivational theories can be applied successfully within the investment bank. Based on the results of the empirical study, the researcher came to the conclusion that both these theories can be equally successfully applied to employees working in an investment bank.

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